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OF COUNSEL
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MICHAEL C. HONE

January 6, 1989

9-012A065

RECORDATION NO.

FILED 1989

Date

JAN 12 1989

Ms. Noreta R. McGee
Secretary of the Interstate
Commerce Commission
Washington, D.C. 20423

JAN 12 1989 2 45 PM

13.00

INTERSTATE COMMERCE COMMISSION

Washington, D.C.

Dear Ms. McGee:

\$13.00 filing fee

Enclosed please find, for filing and recordation pursuant to Section 11303 of Title 49 of the United States Code ~~five~~ fully executed copies of the following document relating to certain railroad rolling stock as described herein, which should be included as part of the filing recorded on October 20, 1980 at 2:15 p.m., Recordation No. 12325 as the next available recordation number, being 12325-0.

I. Document: Assignment of Lease Agreement dated as of December 29, 1988.

A. Parties: Assignor: RCC Railcar Leasing, Inc.
c/o MGC Leasing Corporation
666 Fifth Avenue
New York, New York 10103
Attn: Mr. Jim Kaylor

Assignee: United States Rail Services, Inc.
615 Battery St., 5th Floor
San Francisco, CA 94111
Attn: Mr. David Summers

B. Equipment: As described in Schedule 1 to the Lease filed under Recordation Number 12325-F, recorded on November 3, 1986 at 11:05 a.m., as amended by the document recorded on January 12, 1989 under Recordation Number 12325-N.

C. Lease Assigned: This document is an assignment of a Railcar Lease Agreement filed under Recordation Number 12325-F between Assignor and MVNA Railroad, Inc. dated as of October 10, 1986, as amended, by Assignor to Assignee.

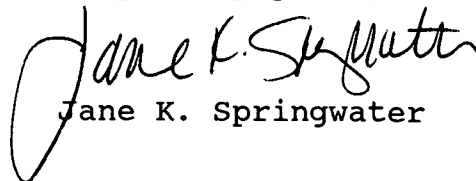
this one
is -
12325-0

C. amended by 12325-0

January 6, 1989
Page 2

I respectfully request that the original of this document be recorded under the provisions of 49 U.S.C. Section 11303. A short summary for the Recordation Index for this document would be: "Assignment of Lease Agreement." I would also appreciate your stamping the additional copies of the document which are not required for your filing purposes and returning them to me together with the fee receipt, the letter from the ICC acknowledging the filing and the two extra copies of this transmittal letter. A check for the amount of \$13.00 is enclosed to cover the filing fees.

Very truly yours,


Jane K. Springwater

Enclosures

3150/L020.JKS/lt

Interstate Commerce Commission
Washington, D.C. 20423

1/12/89

OFFICE OF THE SECRETARY

Jane K Springwater

Murphy, Weir & Butler

101 California Street 39th Fl.

San Francisco, Calif. 94111

Dear
Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/12/89 at 2:05pm, and assigned recordation number(s). 12325-0

Sincerely yours,

Narta R. McGee
Secretary

Enclosure(s)

12325-0
RECORDATION NO. _____ FILE NO. _____

JAN 12 1988 2:05 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AGREEMENT

This Assignment of Lease Agreement is dated as of December 29, 1988 ("Assignment") by and between RCC Railcar Leasing, Inc. ("Assignor") in favor of United States Rail Services, Inc. ("Assignee").

BACKGROUND

A. Assignor is lessor of 138 100-ton, covered hopper cars under the terms of that certain Railcar Lease Agreement dated October 10, 1986, as amended, with MNVA Railroad, Inc. ("MNVA"), lessee (the "Lease Agreement").

B. On even date herewith, Assignor shall sell all of its right, title and interest in, inter alia, the 138 100-ton, covered hopper cars (the "MNVA Cars") to Assignee under the terms of that certain Asset Purchase Agreement executed by and between Assignor and Assignee on even date (the "Purchase Agreement"). As part of the sale, Assignor shall assign to Assignee hereunder all of its right, title and interest in the Lease Agreement.

10-1-68 1 0130PM DMSH 921230710000

NOW THEREFORE, incorporating the Background herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Assignor hereby sells, assigns, transfers and sets over to Assignee, its successors and assigns all of Assignor's right, title and interest in the Lease Agreement and all monies due or to become due under the Lease Agreement from the date of this assignment and all rights and benefits arising thereunder, with full power and right in Assignee to collect and retain monies due and the right in Assignee's own name or in Assignor's name to take all such legal or other action as may be necessary to enforce all terms and provisions of the Lease Agreement; including without limitation, the right to enforce the payment of all lease payments due under the Lease Agreement from MNVA through DECEMBER 28 (the "MNVA Interim Lease Payments"). Assignee agrees that upon its receipt, it shall forward by first class mail, postage prepaid, all MNVA Interim Lease Payments to Mr. William Peterson, Executive Vice President of Helm Financial Corporation, all as more fully provided in the Purchase Agreement. Simultaneously herewith, the original Lease Agreement and all amendments thereto have been transferred to the possession of Assignee and true and correct copies thereof are attached hereto as Exhibit "A".

2. Assignor represents and warrants that (i) Assignor is the lessor under the Lease Agreement; (ii) Assignor has the right and authority to make this Assignment; (iii) the Assignor's rights under the Lease Agreement have not been previously assigned, transferred or pledged; and (iv) up to the date hereof, Assignor has performed and fulfilled all obligations and conditions to have been performed and fulfilled by Assignor under the Lease Agreement.

3. As of the due execution of this Assignment by Assignor, Assignee expressly acknowledges that no duties under the Lease Agreement are being imposed upon or delegated to Assignor.

4. Assignee may, without notice to and without releasing or affecting the liability of Assignor, grant extensions of time of payment or release or compromise any claim or security in whole or in part, under the Lease Agreement or make demand or refrain from making demand or suing upon or otherwise taking action on the Lease Agreement, all at Assignee's sole and absolute discretion; provided however, that Assignee shall have no such rights with respect to the MNVA Interim Lease Payments and Assignee hereby agrees to enforce prompt payment when due by MNVA of the MNVA Interim Lease Payments, all as more fully provided in the Purchase Agreement. Assignor hereby relinquishes its right to make, and agrees that it shall not

make, any amendment, alteration, modification or other adjustment to the Lease Agreement or any other provisions thereof after the date hereof.

5. This Assignment shall be binding upon and inure to the benefit of the respective heirs, administrators, executors, successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, the Assignor has caused this instrument to be duly executed as of this 29 day of DECEMBER, 1988.

ASSIGNEE:

UNITED STATES RAIL SERVICES, INC.

By: [Signature]

(Authorized Officer)

Title: PRESIDENT

ASSIGNOR:

RCC RAILCAR LEASING, INC.

By: [Signature]

(Authorized Officer)

Title: VP

CONSENT OF MNVA RAILROAD, INC.

Intending to be legally bound, and for good and sufficient consideration, MNVA Railroad, Inc., as lessee under that certain Lease Agreement dated October 10, 1986 with RCC Railcar Leasing, Inc. hereby acknowledges that it has read and understood the foregoing Assignment of Lease Agreement, and that it consents to all of the terms thereof.

MNVA RAILROAD, INC.

Attest:

Jeff A. Wood

By:

Larry Wood

Title:

Pres.

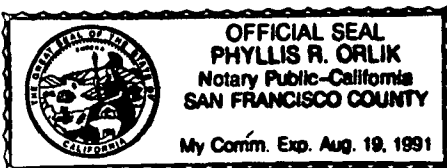
STATE OF CALIFORNIA :

: SS.

COUNTY OF SAN FRANCISCO :

On this, the 5 day of JANUARY, 1989, before me, PHYLLIS R. ORLIK, the undersigned officer, personally appeared DAVID A. SUMMERS, who acknowledged himself/~~herself~~ to be PRESIDENT of UNITED STATES RAIL SERVICES, INC., and that (s)he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



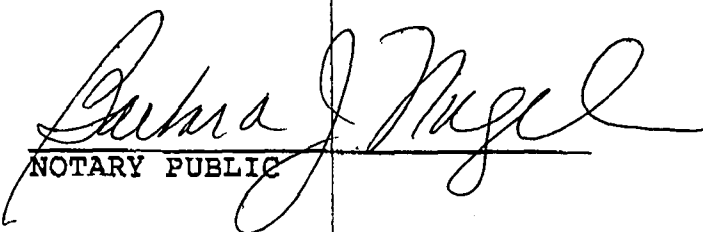
Phyllis R. Orlik
NOTARY PUBLIC

My Commission expires: 8-19-91

STATE OF New York :
: SS.
COUNTY OF New York :

On this, the 4th day of January, 1989, before me, Barbara J. Nagel, the undersigned officer, personally appeared Robert A. Grieser, who acknowledged himself/~~herself~~ to be a Vice President of RCC RAILCAR LEASING, INC., and that (s)he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.


NOTARY PUBLIC

My Commission expires:

BARBARA J. NAGEL
NOTARY PUBLIC, State of New York
No. 4728639
Qualified in Suffolk County
Term Expires June 30, 1990

STATE OF Minnesota

:

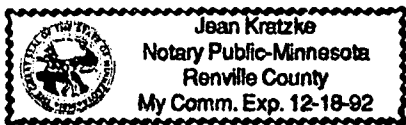
: SS.

COUNTY OF Renville

:

On this, the 28th day of December, 1988, before me, Larry C. Wood, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be President of MNUA Railroad, Inc., and that (s)he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Jean Kratzke
NOTARY PUBLIC

My Commission expires: 12-18-92

Exhibit A

RECORDATION NO. 12325-F
Filed & Recorded

NOV 3 1986 11-05 AM

RAILCAR LEASE AGREEMENT INTERSTATE COMMERCE COMMISSION

Agreement, dated as of October 10, 1986, by and between RCC Railcar Leasing, Inc., a Delaware corporation as Lessor ("Lessor"), and MNVA Railroad, Inc., a Minnesota Corporation as Lessee ("Lessee").

1. Scope of Agreement.

A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, railroad equipment of the type and description as set forth in Equipment Schedule 1 executed by the parties concurrently herewith and made a part of the Agreement.

B. The scheduled items of equipment are hereinafter called collectively the "Cars", and individually "Car".

2. Term.

Subject to expiration or termination under the terms set forth herein, the term of lease with respect to all of the Cars shall be for thirty-six (36) months commencing upon the date when all Cars on Equipment Schedule 1 have been delivered as set forth in Section 3A hereof or December 31, 1986, whichever is earlier. All terms and conditions of this Agreement shall apply and be binding upon the Lessee and the Lessor as to all Cars which have been delivered to Lessee from the time of delivery.

3. Supply Provisions.

A. To move the Cars to Lessee's railroad line, Lessor agrees to assist Lessee in monitoring Car movements and, when deemed necessary by Lessee and Lessor, to issue movement orders with respect to such Cars to other railroad lines in accordance with ICC and AAR interchange agreements and rules.

Lessee will pay the cost of delivery of the Cars from Chicago, Illinois, to Lessee's interchange point or an equivalent amount if not routed through Chicago. Payment for the above freight charges shall be collected by Lessor from Lessee's share of per diem earnings pursuant to Section 6.A.i.a. hereof prior to distribution of any such earnings to Lessee.

B. Lessee, at its expense, shall have the right to inspect and reject the Cars subject to this Agreement prior to Lessor transporting the Cars from their present location. Acceptance of the Cars by Lessee shall be evidenced by a certificate of acceptance issued by a duly authorized representative of the Lessee, the issuance of which shall constitute conclusive evidence of delivery and acceptance of the Cars herein identified.

C. Lessee shall give preference to Lessor and shall load the Cars leased from Lessor prior to loading cars interchanged with other railroads or leased or purchased by Lessee, provided, however, that this shall in no event prevent Lessee from fulfilling its common carrier obligations to provide transportation services upon reasonable request therefor to shippers on its railroad.

4. Railroad Markings and Record Keeping.

A. Lessor and Lessee agree that upon delivery of the Cars to Lessee, said Cars will be lettered with the running markings of Lessee and identifying numbers at the cost and expense of Lessee. Lessee will cause each Car to be restencilled with Lessee's running marks within series MNVA 483249 - 483453.

Lessee will not change or permit to be changed the identifying number of any Car or any other markings of ownership on any Car unless and until (i) a statement of new number, numbers or markings to be substituted therefor shall have been filed with Lessor, and filed, recorded and deposited by Lessee in all public offices where this Lease Agreement shall have been filed, recorded and deposited and (ii) Lessee shall have furnished Lessor its representation in writing to the effect that such statement has been so filed, recorded and deposited, such filing, recordation and deposit will protect Lessor's interest in such Cars and no filing, recording, deposit or giving of notice with or to any other federal, state, provincial or local government or agency thereof is necessary to protect the interests of Lessor in such Cars, and an exact copy of the statement as filed displaying a filing officer's stamp thereon.

Except as provided above, Lessee will not allow the name of any person, association or corporation to be placed on any Car as a designation that might be interpreted as a claim of ownership; provided however, that the Cars may be lettered with the names or initials or other insignia customarily used by Lessee, its affiliates or any authorized sublessee.

B. Lessee shall cause each Car to be registered at its sole expense in the Official Equipment Register and in the Universal Machine Language Equipment Register (UMLER), and any change therein must be mutually agreed by the parties. Lessee shall maintain such records as shall be required from time to time by any applicable regulatory agency or any AAR railroad

interchange agreement or rule.

C. Lessee shall, at its own expense, cause this Lease Agreement and any assignment hereof to be filed and recorded with the Interstate Commerce Commission. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's rights in the Cars, or for the purpose of carrying out the intention of this Lease. Lessee will promptly furnish to Lessor evidence of all such filing, registering, depositing, recording, and an opinion or opinions of counsel with respect thereto satisfactory to Lessor. This Lease Agreement shall be filed with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Car.

D. All record keeping performed by Lessee hereunder and all records of payments, charges and correspondence related to the Cars shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time during Lessee's regular business hours. Lessee shall supply Lessor with such information regarding the use of the Cars by Lessee on its railroad line or elsewhere as Lessor may reasonably request.

E. Lessee shall, upon becoming aware thereof, immediately notify Lessor of accidents involving any Car which must be reported under AAR Rule 107 or of any attempt to attach,

seize or sell any Car, giving Lessor such details as Lessor shall reasonably request. Lessee shall defend Lessor's title upon any such attempt to attach, seize or sell any Car.

F. During the term of this Lease Agreement, Lessor, its officers, employees and agents, shall have reasonable access to the Cars to permit physical inspection thereof and to records pertaining thereto upon reasonable prior written notice to the Lessee. Such inspections shall be at the sole risk and expense of Lessor, subject to Lessee's duty of reasonable care in connection therewith, and Lessor shall exert its best efforts to prevent such inspections from interfering with the normal operation and movement of the Cars.

5. Maintenance, Taxes and Insurance.

A. Except as otherwise provided herein, Lessee will pay all costs, expenses, fees and charges incurred in connection with the use and operation of each of the Cars during its lease term and any extension thereof, including but not limited to repairs, maintenance, and servicing.

B. Lessee shall make or cause to be made such inspections of, and maintenance and repairs to, the Cars as may be required. Lessee shall make, or cause to be made, at its expense, all alterations, modifications or replacement of parts, as shall be necessary to maintain the Cars in good operating condition throughout the term of the lease of such Cars in accordance with AAR rules and/or other applicable standards. Lessee shall not make any modifications, alterations or additions to the Cars without Lessor's prior written consent. If Lessee

makes an alteration or addition to any Car without Lessor's prior written consent, Lessee shall be liable to Lessor for any revenues lost due to such alteration or addition. Title to any such alteration or addition shall be and remain with Lessor.

C. Lessee will at all times while this Agreement is in effect, be responsible for the Cars while on Lessee's railroad tracks in the same manner that Lessee is responsible under Rule 7 of the AAR Car Service and Car Hire Agreement Code of Car Service Rules-Freight for cars not owned by the Lessee on Lessee's railroad tracks. Lessee shall protect against the consequences of an event of loss involving the Cars while on Lessee's railroad tracks by either obtaining insurance or maintaining a self insurance program which conforms to sound actuarial principles. If Lessee elects to carry insurance, it shall furnish Lessor with a certificate of insurance with respect to the insurance carried on the Cars signed by an independent insurance broker. All insurance shall be taken out in the name of Lessee and Lessor (or its assignee) as their interests may appear.

D. Lessee shall pay all taxes, assessments and other governmental charges of whatsoever kind or character paid by Lessor relating to each Car on the Lease, except any taxes, assessments or governmental charges which may remain unpaid as of the date of delivery of such Car to Lessee as well as taxes on income imposed on Lessor. Lessee will comply with all state and local laws requiring the filing of ad valorem tax returns on the Cars. Lessor shall review all applicable tax returns prior to filing.

E. Lessee shall procure and keep in effect public liability insurance insuring both Lessor and Lessee against damages and claims for personal injury, death and property damage. All such insurance shall be in form, amount and with companies satisfactory to Lessor. Each Policy of Insurance shall provide for thirty days' prior written notice of cancellation or modification to Lessor. Lessee shall pay all premiums for such insurance and shall deliver to Lessor the policies of insurance or duplicates thereof, and such other evidence of coverage satisfactory to Lessor. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy.

6. Lease Rental.

A. Lessee agrees to pay the following rent to Lessor for the use of the Cars:

(i) For the purpose of this Agreement, "Utilization" shall mean with respect to any period a fraction the numerator of which is (x) the aggregate number of Car Hours for which payments are earned by the Lessee during such period, and the denominator of which is (y) the aggregate of Car Hours during such period. For the purpose of determining Utilization, "Car Hour" shall mean one hour on which one car is on lease hereunder, commencing on the delivery of such Car to Lessee. Total Potential Per Diem Earnings shall mean those hourly earnings as defined in the Official Railway Equipment Register.

Net Car Hire Revenue shall mean those funds received by Lessor on a monthly basis.

Lessee, or its agent, shall collect all payments made by other railroad companies for their use or handling of the Cars, including but not limited to, car hire payments (which payments made to Lessee are hereinafter collectively referred to as "Payments") and mileage charges and distribute them as follows:

(a) Car Hire Payments - The Lessor shall receive the first 55% of the Total Potential Per Diem Earnings (as computed on a monthly basis) collected by the Lessee with respect to the Cars. The Lessee shall receive all Per Diem earnings thereafter.

(b) Mileage Charges - The Lessee shall receive all mileage earnings with respect to the Cars.

(ii) In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 107 of the AAR Car Service and Car Hire Agreement Code of Car Hire Rules-Freight and the appropriate amount due as a result thereof is paid to and received by Lessor, said damaged or destroyed Car will be removed from coverage of this Agreement as of the date that Payment ceased.

(iii) Lessee shall not, without the prior written consent of Lessor, grant any reclaims with respect to the Cars nor, if permitted by law, reduce the car hire charges applicable to the Cars.

B. During the term of this Agreement, if Lessor's

Net Car Hire Revenue in any nine-month period is less than \$180.00 per car per month, Lessor may, at its option and upon not less than thirty (30) days' prior written notice to Lessee, terminate this Agreement as to all or such part of the Cars as Lessor shall determine, provided that Lessee may fulfill immediate prior shipper commitments for loadings. If Lessor terminates this Agreement for insufficient Utilization, Lessee shall remove Lessee's railroad markings from the Cars when requested by Lessor and place thereon such markings as may be designated by Lessor at the cost and expense of Lessor. After the removal and replacement of markings, Lessee shall, when requested by Lessor, load such Cars and deliver them to a connecting carrier for shipment. Lessee will be granted up to 10 days reclaim after the Cars are restencilled. Lessee shall provide up to one hundred twenty (120) days' free storage on its railroad tracks.

C. Lessee shall collect or cause to be collected all Payments with respect to the Cars in connection with the use of the Cars by other railroads. Lessee shall pay to Lessor within five days of receipt all rental due Lessor. Payments along with an accounting of the basis for such payments shall be mailed monthly to Lessor.

7. Possession and Use.

A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent Cars are

customarily used in the railroad freight business, provided that Lessee retain on its railroad tracks no more Cars than are necessary to fulfill its immediate requirements to provide transportation and facilities upon reasonable request therefor to shippers on its railroad tracks. To accomplish the objective of providing no more cars than are necessary to fulfill such shipper requirements, Lessee shall, if necessary, designate such Cars as exempt from AAR Car Service Rules. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of Cars; i.e., upon notice to Lessee from any such secured party or owner that an event of default has occurred and is continuing under such financing agreement, such party may require that all rent shall be made directly to such party and/or that the Cars be returned to such party.

Lessee agrees that it will use its best efforts to assure that the Cars will at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings contest the application of any such rule, regulation or order in any reasonable manner at the expense of the contesting party. Further, Lessee agrees that under no circumstances shall the Cars or any of them be physically

present, at any time, in Mexico.

B. Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim on or with respect to the Cars or any interest therein or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

8. Default.

A. The occurrence of any of the following events shall be an event of default:

(i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date any such payment is due.

(ii) The breach by Lessee of any other term, covenant or condition of this Agreement, which is not cured within ten days.

(iii) The insolvency by Lessee, or the filing by Lessee of any petition or action under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors.

(iv) The filing of any involuntary petition under any bankruptcy, reorganization, insolvency or moratorium law against Lessee that is not dismissed within thirty (30) days thereafter, or the appointment of any receiver or trustee to take possession of the properties of Lessee, unless such petition or

appointment is set aside or withdrawn or ceases to be in effect within thirty (30) days from the date of said filing or appointment.

(v) Any action by Lessee to discontinue rail service on all or a portion of its tracks or abandon any of its rail properties pursuant to applicable provisions of the Interstate Commerce Act or the laws of any state, if such action might reasonably affect the Payments earned by the Cars.

(vi) The incurrence, in any one month, of Reimbursable Expenses (hereafter defined) relating to the Cars, in excess of the Net Car Hire Revenues. Reimbursable Expenses means all reasonable expenses, disbursements and advances incurred or borne by Lessor or its manager or agent.

B. Upon the occurrence of any event of default, Lessor may, at its option, terminate this Agreement provided, however, that:

(i) Lessor shall give Lessee ten (10) days notice of its intention to so terminate and Lessee has failed to remedy such default within such ten (10) day period; such termination shall not release Lessee from any obligations incurred up to such date or from thereafter paying rentals upon the Cars until they are returned to Lessor.

(ii) For the purposes hereof, Lessor may proceed by any lawful means to recover damages for Lessee's breach (including transportation costs, appraisal costs, reasonable attorneys' fees and court costs) and to enter upon the premises of Lessee or other premises where any of the Cars and

thenceforth hold, possess, sell, operate, lease to others and enjoy the same free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever and without any duty to account to Lessee for such action or inaction or for any proceeds arising therefrom.

(iii) Upon the occurrence of any event of default and so long as same shall be continuing, Lessor may, at its option, exercise one or more of the following additional remedies, as Lessor in its sole discretion shall lawfully elect:

Lessor may cause Lessee, upon written demand of Lessor and at Lessee's expense, to return promptly all or such of the Cars as Lessor may so demand to Lessor or at Lessor's direction in the manner and condition required as if such Cars were being returned upon termination of this Lease Agreement. Lessor may sell all or any of the Cars at public or private sale, with or without notice to Lessee or advertisement, as Lessor may determine, or otherwise dispose of, hold, use, operate, lease to others or keep idle all or any of the Cars as Lessor, in its sole discretion, may determine, all free and clear of any rights of Lessee and without any duty to account to Lessee with respect to such action or inaction or for any proceeds with respect thereto.

Upon written demand of Lessor, Lessee shall pay, as liquidated damages for Lessor's loss of a bargain and not as a penalty, any unpaid rentals for the period up until the date of the event of default, together with interest on such amount from the date of the event of default until the date of actual payment at the rate of 15% per annum.

(iv) The remedies set forth above in favor of Lessor are not exclusive and are cumulative in nature, and shall be in addition to all other remedies available at law or in equity. The Lessee hereby waives any requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against rental payments due hereunder, and agrees to make such rental payments regardless of any offset or claim against Lessor, its agents or assigns.

9. Termination.

At the expiration or termination of this Agreement as to any Cars, Lessee will surrender possession of such Cars to Lessor by delivering the same to Lessor at a location designated by Lessor on Lessee's track at the expense of Lessee. All Cars so returned shall be in AAR interchange condition, ordinary wear and tear excepted. Lessee shall promptly surrender to Lessor all records and logs maintained in connection with all Cars so returned. Lessee shall make or cause to be made all repairs necessary to restore any Car to the condition required. A Car shall be no longer subject to this Agreement upon the removal of Lessee's railroad markings from the Car and the placing thereon of such markings as may be designated by the Lessor or by another railroad line which has physical possession of the Car at the time of or subsequent to termination of the lease term as to such Car. If such Cars are not on the railroad line of Lessee upon such expiration or termination or

are subsequently returned to Lessee's railroad line, Lessee shall at its own expense within five (5) working days remove Lessee's railroad markings from the Cars and place thereon such markings as may be designated by Lessor. After the removal and replacement of markings, Lessee shall use its best efforts to load such Cars with freight and deliver them to a connecting carrier for shipment. Lessee shall provide up to one hundred twenty (120) days' free storage on its railroad tracks for Lessor or the subsequent lessee of any terminated Car.

10. Indemnities.

Lessee will defend, indemnify and hold Lessor harmless from and against (1) any and all loss or damage of or to the Cars, usual wear and tear excepted, unless occurring while Lessor has physical possession of the Cars and (2) any and all loss, expense, damage, claim, cause of action, or liability howsoever arising from the lease, use or operation of any Car or any commodity loaded or transported therein during the term hereof, whether or not such Car is within Lessee's physical possession or subject to its control; provided, however, that Lessee shall not be required to indemnify Lessor under this paragraph for gross negligence or willful misconduct on the part of Lessor, its employees or agents or any patent infringement claims or liabilities.

The indemnity under this paragraph shall survive termination of this Lease Agreement only to the extent that any such loss, expense or liability is attributable to any Car or commodity loaded or transported therein while such Car is subject

to this Lease Agreement. Upon the payment in full by Lessee of any indemnities as contained in this paragraph, Lessee shall be subrogated to any right of Lessor in respect to the matters against which indemnity has been given.

11. Representation, Warranties and Covenants.

A. Lessee represents, warrants and covenants that:

(i) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power and authority and is duly qualified and authorized to do business wherever necessary to carry out its present business and operations and to perform its obligations under this Agreement.

(ii) The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.

(iii) There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee.

(iv) There is no fact which Lessee has not

disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligations under this Agreement.

B. Lessor represents and warrants that:

(i) Lessor has full right, title and authority to lease Cars as provided in this Lease Agreement.

(ii) So long as Lessee shall not be in default under this Lease Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Lease Agreement.

(iii) THE WARRANTIES OF LESSOR SET FORTH IN THIS PARAGRAPH ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS OR WARRANTIES OF LESSOR WHETHER STATUTORY, WRITTEN, ORAL OR IMPLIED, AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE, NOR SHALL IT BE DEEMED BY VIRTUE OF HAVING LEASED THE CARS PURSUANT TO THIS LEASE AGREEMENT TO HAVE MADE ANY REPRESENTATION OR WARRANTY AS TO THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE WORKMANSHIP IN, THE CARS.

12. Inspection.

Lessor shall at any time upon reasonable notice to Lessee have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars

to insure Lessee's compliance with its obligations hereunder. Lessee shall immediately notify Lessor of any accident connected with the Cars. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien or other judicial process which shall attach to any Car. Lessee shall furnish to Lessor promptly upon its becoming available, a copy of its annual report, copies of any other income and balance sheet statements required to be submitted to the ICC and/or state agencies, and/or other financial information as required by Lessor from time to time.

13. Use of Cars.

The parties agree that the Lessee hereby covenants and warrants that under no circumstances shall the Cars or any of them be physically present, at any time, in Mexico.

The Lessee hereby covenants and warrants that if any of the Cars shall be physically present, at any time, in Canada, that Lessee, at its own expense, will do and perform any act and will execute and acknowledge, deliver, file, register, record any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's rights in the Cars and/or the rights in the Cars of Continental Illinois Bank and Trust Company of Chicago as Trustee under that certain Equipment Trust Agreement between Amerigas, Inc. and the Trustee, dated August 1, 1980, as amended dated October 10, 1986, between Lessor and the Trustee (the "Trustee"), or for the purpose of carrying out the intention of this Agreement. Lessee will

promptly furnish to Lessor evidence of all such filing, registering, depositing, recording and an opinion or opinions of counsel (which may be Lessee's in-house counsel) with respect thereto satisfactory to Lessor and the Trustee. Lessee agrees to indemnify and save Lessor and the Trustee harmless from any and all loss to the Lessor and/or the Trustee arising directly or indirectly out of the presence of any of the Cars in Canada including, but not limited to, the loss or diminution of Lessor's and/or the Trustee's interest in such Cars.

14. Consent to Jurisdiction and Service of Process.

Lessor and Lessee agree that if any controversy, dispute or claim shall arise out of this Lease Agreement, its interpretation or breach, they shall consult with each other in good faith to settle such controversy, dispute or claim.

15. Miscellaneous.

A. This Agreement and the Equipment Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, except that Lessee may not without the prior written consent of Lessor assign this Agreement or any of its rights hereunder or sublease the Cars to any party, and any purported assignment or sublease in violation hereof shall be void.

B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Lessor in connection with the acquisition of the Cars in order to confirm the financing party's interest in and to the

Cars, this Agreement and Schedules, hereto.

C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars except as a lessee only.

D. This Agreement shall be governed by and construed according to the laws of the State of New York.

E. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president or general manager of the other party at the address set forth below.

F. Lessor shall have the right to examine the physical facilities of the Lessee, loading data, and other pertinent information which may affect the use and earning capacity of the Cars. After such examination, Lessor may notify Lessee in writing of any dissatisfaction and this Lease Agreement shall be null and void by virtue of such notice.

IN WITNESS WHEREOF, the parties hereto have executed
this Agreement as of the date first above written.

RCC RAILCAR LEASING, INC.

By: *[Signature]*
Title: Vice President
Date: 10/17/86

RCC RAILCAR LEASING, INC.
c/o MGC Leasing Corporation
666 Fifth Avenue
New York, New York 10103

MVNA RAILROAD, INC.

By: *[Signature]*
Title: President
Date: 10-16-86

MNVA RAILROAD, INC.
P.O. Box 218
Redwood Falls, Minnesota 56283

EQUIPMENT SCHEDULE 1

MNVA Railroad, Inc. hereby leases the following railcars pursuant to that certain Lease Agreement dated as of September 1, 1986.

A.A.R. Mechanical Mechanical <u>Designation</u>	<u>Description</u>	<u>Reporting Marks and Car Numbers</u>	<u>Number of Cars</u>
LO	100 ton, roller bearing 4750 cubic foot, triple pocket, covered hopper railroad cars equipped with trough hatches.	MNVA 483249 483250 483251 483252 483253 483254 483255 483256 483257 483258 483259 483260 483261 483262 483263 483264 483265 483266 483267 483268 483269 483270 483271 483272 483273 483274 483275 483276 483277 483278 483279 483280 483281 483282 483283 483284 483285 483286 483287 483288 483289 483290 483291 483292	138

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483448
483449
483450
483452
483453

(not included in list,
16 Cars presently in
service)

RCC RAILCAR LEASING, INC.

By: W. T. Giff

Title: Vice President

Date: 10/12/86

MNVA RAILROAD, INC.

By: Larry C. Wood

Title: President

Date: 10-16-86

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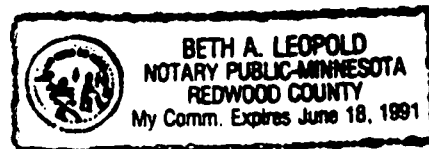
STATE OF Minnesota :
COUNTY OF Redwood : SS.

On the 16th day of October, 1986, before me, a
Notary Public in and for the State and County aforesaid, the
undersigned, personally appeared Larry C. Wood, the
President of MNVA Railroad Inc., and that
he, being authorized to do so, executed the foregoing instrument
for the purposes therein contained by signing the name of
Larry C. Wood by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and
official seal.

Beth A. Leopold
Notary Public
My Commission Expires:

jml/334



STATE OF New York :
COUNTY OF New York : SS.

On the 17th day of October, 1986, before me, a
Notary Public in and for the State and County aforesaid, the
undersigned, personally appeared Robert A. Hinzberg, the
Vice President of RCC Railcar Leasing Inc., and that
he, being authorized to do so, executed the foregoing instrument
for the purposes therein contained by signing the name of
Robert A. Hinzberg by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and
official seal.

Grace Coppinger
Notary Public
My Commission Expires:

GRACE COPPINGER
Notary Public, State of New York
No. 24-4527108
Qualified in Kings County
Commission Expires ~~March 28, 1988~~ Dec 31

jml/334

AMENDMENT TO RAILCAR LEASE AGREEMENT

This Amendment to Railcar Lease Agreement (the "Amendment") is made as of the 29th day of December 1988, between MNVA Railroad, Inc., a Minnesota corporation as Lessee ("Lessee") and RCC Railcar Leasing, Inc., a Delaware corporation as Lessor ("Lessor") and amends the Railcar Lease Agreement between Lessor and Lessee dated as of October 10, 1986 (the "Lease").


Lessor and Lessee desire to amend the Lease to reflect the correct units of equipment covered by the Lease. Lessor and Lessee hereby amend the Lease as follows:

The Equipment Schedule I attached to the Lease is hereby deleted in its entirety and replaced with the new Equipment Schedule I attached hereto as Exhibit A.

Except as modified by this Amendment the Lease remains unchanged and in full force and effect.

This Amendment may be signed in counterparts.

RCC RAILCAR LEASING, INC.

By 
Title VP

MNVA RAILROAD, INC.

By _____
Title _____

EQUIPMENT SCHEDULE 1

MVNA Railroad, Inc. hereby leases the following railcars pursuant to that certain Lease Agreement dated as of October 10, 1986.

A.A.R. Mechanical

Mechanical

Designation Description

Reporting Marks
and Car Numbers

Number of
Cars

LO

100 ton,
roller
bearing, 4750
cubic foot,
triple pocket,
covered hopper
railroad cars
equipped with
trough hatches.

MNVA 483249	MNVA 483324	MNVA 483401
MNVA 483250	MNVA 483326	MNVA 483402
MNVA 483251	MNVA 483327	MNVA 483403
MNVA 483253	MNVA 483328	MNVA 483406
MNVA 483254	MNVA 483329	MNVA 483407
MNVA 483255	MNVA 483334	MNVA 483410
MNVA 483256	MNVA 483336	MNVA 483411
MNVA 483258	MNVA 483337	MNVA 483414
MNVA 483259	MNVA 483339	MNVA 483415
MNVA 483260	MNVA 483341	MNVA 483416
MNVA 483261	MNVA 483342	MNVA 483418
MNVA 483262	MNVA 483343	MNVA 483419
MNVA 483263	MNVA 483345	MNVA 483421
MNVA 483264	MNVA 483348	MNVA 483422
MNVA 483265	MNVA 483349	MNVA 483423
MNVA 483268	MNVA 483350	MNVA 483425
MNVA 483269	MNVA 483351	MNVA 483427
MNVA 483270	MNVA 483352	MNVA 483428
MNVA 483271	MNVA 483353	MNVA 483429
MNVA 483273	MNVA 483356	MNVA 483432
MNVA 483274	MNVA 483358	MNVA 483433
MNVA 483275	MNVA 483359	MNVA 483434
MNVA 483276	MNVA 483362	MNVA 483435
MNVA 483278	MNVA 483364	MNVA 483437
MNVA 483280	MNVA 483365	MNVA 483439
MNVA 483281	MNVA 483366	MNVA 483440
MNVA 483283	MNVA 483367	MNVA 483441
MNVA 483284	MNVA 483369	MNVA 483442
MNVA 483285	MNVA 483370	MNVA 483443
MNVA 483286	MNVA 483371	MNVA 483444
MNVA 483287	MNVA 483373	MNVA 483447
MNVA 483290	MNVA 483375	MNVA 483448
MNVA 483291	MNVA 483377	MNVA 483449
MNVA 483292	MNVA 483378	MNVA 483450
MNVA 483297	MNVA 483379	MNVA 483452
MNVA 483299	MNVA 483380	MNVA 483453
MNVA 483303	MNVA 483381	
MNVA 483305	MNVA 483382	
MNVA 483306	MNVA 483384	
MNVA 483308	MNVA 483385	
MNVA 483309	MNVA 483386	
MNVA 483311	MNVA 483387	
MNVA 483312	MNVA 483388	
MNVA 483313	MNVA 483390	
MNVA 483315	MNVA 483392	
MNVA 483316	MNVA 483393	
MNVA 483318	MNVA 483394	
MNVA 483319	MNVA 483396	
MNVA 483321	MNVA 483397	
MNVA 483322	MNVA 483398	
MNVA 483323	MNVA 483400	

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EXHIBIT A

STATE OF NEW YORK)
COUNTY OF NEW YORK) ss.

On the 5th day of January, 1989, before
me, a Notary Public in and for the State and County aforesaid,
the undersigned, personally appeared Robert A. Ginzburg,
the Vice President of RCC Railcar Leasing, Inc., and that
he, being authorized to do so, executed the foregoing instrument
for the purposes therein contained by signing the name of
Robert Ginzburg by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and
official seal.

Barbara J. Nagel
Notary Public
My Commission Expires:

BARBARA J. NAGEL
NOTARY PUBLIC, State of New York
No. 4728639
Qualified in Suffolk County
Term Expires June 30, 1990

AMENDMENT TO RAILCAR LEASE AGREEMENT

This Amendment to Railcar Lease Agreement (the "Amendment") is made as of the 29th day of December 1988, between MNVA Railroad, Inc., a Minnesota corporation as Lessee ("Lessee") and RCC Railcar Leasing, Inc., a Delaware corporation as Lessor ("Lessor") and amends the Railcar Lease Agreement between Lessor and Lessee dated as of October 10, 1986 (the "Lease").

Lessor and Lessee desire to amend the Lease to reflect the correct units of equipment covered by the Lease. Lessor and Lessee hereby amend the Lease as follows:

The Equipment Schedule I attached to the Lease is hereby deleted in its entirety and replaced with the new Equipment Schedule I attached hereto as Exhibit A.

Except as modified by this Amendment the Lease remains unchanged and in full force and effect.

This Amendment may be signed in counterparts.

RCC RAILCAR LEASING, INC.

By _____

Title _____

MNVA RAILROAD, INC.

By Larry Wood

Title President

EQUIPMENT SCHEDULE 1

MVNA Railroad, Inc. hereby leases the following railcars pursuant to that certain Lease Agreement dated as of October 10, 1986.

A.A.R. Mechanical

Mechanical

Designation Description

Reporting Marks
and Car Numbers

Number of
Cars

LO

100 ton,
roller
bearing, 4750
cubic foot,
triple pocket,
covered hopper
railroad cars
equipped with
trough hatches.

MNVA 483249	MNVA 483324	MNVA 483401
MNVA 483250	MNVA 483326	MNVA 483402
MNVA 483251	MNVA 483327	MNVA 483403
MNVA 483253	MNVA 483328	MNVA 483406
MNVA 483254	MNVA 483329	MNVA 483407
MNVA 483255	MNVA 483334	MNVA 483410
MNVA 483256	MNVA 483336	MNVA 483411
MNVA 483258	MNVA 483337	MNVA 483414
MNVA 483259	MNVA 483339	MNVA 483415
MNVA 483260	MNVA 483341	MNVA 483416
MNVA 483261	MNVA 483342	MNVA 483418
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MNVA 483263	MNVA 483345	MNVA 483421
MNVA 483264	MNVA 483348	MNVA 483422
MNVA 483265	MNVA 483349	MNVA 483423
MNVA 483268	MNVA 483350	MNVA 483425
MNVA 483269	MNVA 483351	MNVA 483427
MNVA 483270	MNVA 483352	MNVA 483428
MNVA 483271	MNVA 483353	MNVA 483429
MNVA 483273	MNVA 483356	MNVA 483432
MNVA 483274	MNVA 483358	MNVA 483433
MNVA 483275	MNVA 483359	MNVA 483434
MNVA 483276	MNVA 483362	MNVA 483435
MNVA 483278	MNVA 483364	MNVA 483437
MNVA 483280	MNVA 483365	MNVA 483439
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MNVA 483283	MNVA 483367	MNVA 483441
MNVA 483284	MNVA 483369	MNVA 483442
MNVA 483285	MNVA 483370	MNVA 483443
MNVA 483286	MNVA 483371	MNVA 483444
MNVA 483287	MNVA 483373	MNVA 483447
MNVA 483290	MNVA 483375	MNVA 483448
MNVA 483291	MNVA 483377	MNVA 483449
MNVA 483292	MNVA 483378	MNVA 483450
MNVA 483297	MNVA 483379	MNVA 483452
MNVA 483299	MNVA 483380	MNVA 483453
MNVA 483303	MNVA 483381	
MNVA 483305	MNVA 483382	
MNVA 483306	MNVA 483384	
MNVA 483308	MNVA 483385	
MNVA 483309	MNVA 483386	
MNVA 483311	MNVA 483387	
MNVA 483312	MNVA 483388	
MNVA 483313	MNVA 483390	
MNVA 483315	MNVA 483392	
MNVA 483316	MNVA 483393	
MNVA 483318	MNVA 483394	
MNVA 483319	MNVA 483396	
MNVA 483321	MNVA 483397	
MNVA 483322	MNVA 483398	
MNVA 483323	MNVA 483400	

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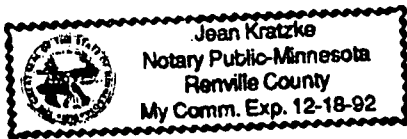
EXHIBIT A

STATE OF
COUNTY OF

)
) ss.
)

On the 10th day of JANUARY, 1988, before me, a Notary Public in and for the State and County aforesaid, the undersigned, personally appeared LARRY C. WOOD, the PRESIDENT of MNVA RAILROAD, INC, and that he, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of LARRY C. WOOD by himself as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Jean Kratzke
Notary Public
My Commission Expires: 12-18-92